GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1191
ANSWERED ON:24.10.2008
NEW PENSION SCHEME
Pallani Shamy Shri K.C .

Will the Minister of FINANCE be pleased to state:

(a) the total amount credited under the New Pension Scheme since its inception with interest accrued thereon;

(b) the details of management of the corpus of the fund;and

(c) the benefits available to the contributors under the Scheme?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI PAWAN KUMAR BANSAL)

(a): As on 19-10-2008,the total amount transferred to the New Pension System Trust representing accumulated contributions in respect of the Central Government employees covered by the New Pension System(NPS) since 1st January,2004 stood at around Rs. 1545.94 crore.

(b): The accumulations under the NPS w.e.f. 1.4.2008 are being managed by three Pension Fund Managers appointed by the Pension Fund Regulatory and Development Authority, namely SBI Pension Funds Pvt. Ltd., LIC Pension Fund Ltd. and UTI Retirement Solutions Ltd.These are Pension Fund Companies incorporated under the Companies Act, 1956 by their sponsors,i.e., State Bank of India, LIC and UTI Asset Management Company, respectively.

The investment of the NPS funds by these pension funds is being guided by the investment guidelines issued by the Government for Non-Government Provident Funds,Superannuation Funds and Gratuity Funds.

(c): The NPS subscribers shall,at the age of superannuation/exit,be entitled to the sum total of the accumulated contributions in their NPS account(Government contribution plus employee contribution) along with the returns generated thereon.At superannuation/exit the subscribers would be mandatorily required to invest 40% of their accumulated pension wealth to purchase an annuity from a life insurance company regulated by the Insurance Regulatory and Development Authority.